

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4220-02
BILL NO.: HB 1962
SUBJECT: Establishes a Minimum Foster Care Reimbursement Rate
TYPE: Original
DATE: March 2, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0	(\$6,897,515)	(\$14,472,002)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$6,897,515)	(\$14,472,002)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	\$0	(\$2,603,194)	(\$5,461,885)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	(\$2,603,194)	(\$5,461,885)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Division of Family Services (DFS)** stated that according to the Department of Corrections, the cost of housing minimum security prisoners ranges from \$32 to \$37 per day. The average is \$35.61 per day. The DFS provided an extensive calculation of the additional costs which cannot be re-produced in the fiscal note. However, **Oversight** will provide the following rates for a point of reference. Traditional daily foster care reimbursement rates for FY 00 for children ages 0 to 5 are \$10.39, for children ages 6 to 12 are \$11.97 and for children ages 13 and above are \$12.89. Specialized foster care reimbursement rates average \$21 a day for FY 00.

The anticipated additional fiscal impact of this proposal, by year, would be:

FY 01	\$0
FY 02	\$9,500,709
FY 03	\$19,933,887
FY 04	\$31,368,172
FY 05	\$43,876,696
FY 06	\$57,537,356

The costs were split between state and federal funds at a rate of 72% state and 28% federal.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Costs - Division of Family Services</u>			
Increased Foster Care Reimbursements	<u>\$0</u>	<u>(\$6,897,515)</u>	<u>(\$14,472,002)</u>
ESTIMATED EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$6,897,515)</u>	<u>(\$14,472,002)</u>
FEDERAL FUNDS			
<u>Costs - Division of Family Services</u>			
Increased Foster Care Reimbursements	<u>\$0</u>	<u>(\$2,603,194)</u>	<u>(\$5,461,885)</u>
ESTIMATED EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>(\$2,603,194)</u>	<u>(\$5,461,885)</u>

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FISCAL IMPACT - Local Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal provides for a minimum foster care reimbursement rate to equal the cost of housing a minimum security inmate. The cost is to be increased over the course of five years starting in FY 02.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services



Jeanne Jarrett, CPA
Director
March 2, 2000